KPMG

GMS Flash Alert

Immigration

2026-222 | 28 August 2026

Saudi Arabia – Introduction to 70 Percent Localization Requirement for Project Management Occupations

Saudi Arabia's Ministry of Human Resources and Social Development (MHRSD), in coordination with the Ministry of Municipalities and Housing, has issued an updated procedural guide implementing a 70 percent localization requirement for specified project management occupations in private-sector entities. The guide was issued under Ministerial Decision No. 41454, dated 2026/08/13.[1]

WHY THIS MATTERS

This development could affect workforce and global mobility planning for organizations operating in Saudi Arabia that employ non-Saudi nationals in covered project management roles. Because compliance will be assessed using job titles recorded in the social insurance database, employers may need to review their workforce data and job-title classifications. The requirement may create compliance exposure regardless of an employer's classification under the broader labor classification framework.

Key Highlights

- **Coverage and threshold**: The requirement applies to private-sector establishments in Saudi Arabia with three or more employees in the targeted occupations. The localization calculation is made at the entity level.

- **Targeted occupations**: The targeted occupations are Project Management Manager (code 121314), Project Management Engineer (code 214909), and Project Management Specialist (code 242108).

- **Localization calculation**: The requirement is 70 percent localization of total workers in the targeted occupations at the entity level. The required number is rounded to the nearest whole number.

- **Compliance monitoring**: The ratio is monitored automatically using job titles recorded in the social insurance database, with verification through technical integration with supervisory entities.

- **Interaction with the labor classification framework**: The program applies in parallel with the broader labor classification framework. The employer's classification band does not affect the localization calculation or the application of penalties.

- **Penalties and enforcement**: After the grace period, penalties may apply for failure to meet the required localization ratio. Penalties may also apply if duties associated with localized occupations are assigned to non-Saudi nationals under different job titles. The guide refers to the violations and penalties tables under Ministerial Decision No. 112377, dated 1447/8/21H.

- **Support package for employers**: The guide describes support covering recruitment, training and qualification of Saudi workers, employment and job stability support, and priority access to available localization support programs.

KPMG INSIGHTS

In light of the changes, organizations might consider the following:

- Identify employees assigned to the three targeted occupation codes and reviewing whether their registered job titles accurately reflect their duties.

- Model the required number of Saudi employees after applying the 70 percent ratio and the prescribed rounding method.

- Review planned assignments, recruitment activity, and workforce changes that could affect the ratio before 2027/02/14.

- Assess whether recruitment, training, or qualification programs for Saudi nationals could address identified workforce requirements.

- Establish centralized monitoring across relevant branches and functions to support consistent occupation-code administration.

If assignees and/or their programme managers have any questions or concerns about the scope of the update, its application and potential impacts, and appropriate next steps, they should consult with their qualified tax or social security professional or a member of the GMS/People Services team with KPMG in the Lower Gulf (see the Contacts section).

ENDNOTE:

1 Saudi Arabia Ministry of Human Resources and Social Development (in Arabic), "Procedural guide for the decision on localizing project management professions," August 2026.

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Contacts

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the United Arab Emirates:

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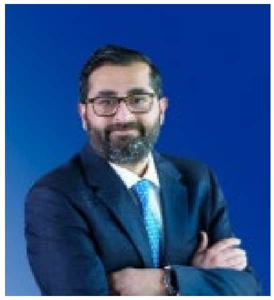

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